

# Gov. Schwarzenegger's Trade Mission to Japan



## Fact Sheet

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### **Why is Governor Schwarzenegger going to Japan?**

Governor Schwarzenegger promised to sell California all over the world and become the state's job czar. He has worked hard to restore California's business climate and strong progress has been made on the road to economic recovery. Japan is an excellent choice for a trade mission because:

- ⇒ Its economy, the second largest in the world and California's second largest trading partner, is recovering and demand for California products is growing.
- ⇒ Tourism between Japan and California, a major source of revenue for California businesses, has dropped substantially since 9/11 and is in need of promotion.
- ⇒ Japanese companies, the largest foreign investors in California, are increasing worldwide investment from which our state stands to gain.
- ⇒ Japan offers a large market for California's agricultural products that has great potential for expansion.

## **Jobs and the Economy**

- Japanese firms employ a quarter of all Californians who work for foreign-owned companies. By letting Japanese employers know that California is reversing its business-hostile climate, the state stands to gain more jobs and more Japanese investment in California.
- Japan is the third largest importer of California products and services, consuming \$11.7 billion of California's exports in 2003. With its improving economy, Japan has tremendous potential to absorb even more of California's products and services.
- California's top five exports to Japan include computers and electronics, transportation equipment, machinery, food and kindred products and chemicals. Exports are beginning to recover after declining since 2000. The Governor hopes to encourage this trend through his trade mission.

## **Travel and Tourism**

- As their first point of entry, California is the portal to America for Asian travelers. In order to keep more travelers in California and decrease the number of "air flyovers," the Governor is speaking directly to a market with a large appetite and substantial budget for tourism.
- In 2003, California received 590,000 visitors from Japan and generated a total of \$668 million in travel related expenditures. While these numbers are considerable, they actually represent a 50 percent drop in Japanese travel since the mid-to-late 1990s. Promoting California aggressively in Japan will help boost travel to our state, generating new jobs and more income.

## **California Tourism Facts**

- California is the number one travel destination in the United States.
- Tourism generates \$78.2 billion in direct travel spending and produces \$5 billion in direct state and local revenues.
- As California's fourth largest employer, tourism supports nearly 900,000 jobs.

- On the average, each California county earns approximately \$1.3 billion per year in direct tax expenditures by visitors.
- Nationwide from January 2001 to January 2004, more than 500,000 jobs have been lost in the manufacturing, information and trade sectors. Travel and hospitality have continued to add jobs however, approximately 45,000 in California alone. The Governor's goal is to improve this number even more by promoting California's tourist attractions in Japan.

### **California Agriculture**

Governor Schwarzenegger has actively promoted California agriculture, starring in a *California Grown* TV commercial and attending its red carpet premier in Sacramento. Now he's promoting California's many agricultural products to one of its best and largest trade partners whose economy is recovering from a decade-long recession.

- Japan is California's second largest export market. With its recovering economy, Japan is in a position to become an even more important market for our products than ever before.
- California is the largest agricultural producer and exporter in the United States. Our farmers and ranchers supply more than \$27 billion in products every year and grow more than half of the fruits, vegetables and nuts produced in the nation. Japan has shown a strong appetite for our products in the past and the Governor feels that with its recovering economy, this market has great growth potential.
- More than a million of California's jobs are supported by agriculture. By increasing our exports we can grow jobs and give our own recovering economy a shot in the arm.